

regular income in cases under title 11 of the United States Code, see section 1328 of such title 11” for “wage earners’ plans in bankruptcy courts, see section 680 of the Bankruptcy Act, as added by the act of June 22, 1938 (11 U.S.C. 1080)”. Former par. (4) redesignated (3).

Pars. (5) to (7). Pub. L. 96-589, §6(i)(10)(A), (B), redesignated pars. (6) and (7) as (5) and (6), respectively. Former par. (5) redesignated (4).

1976—Pars. (2) to (5). Pub. L. 94-455 struck out parenthetical references to “52 Stat. 851;”, “52 Stat. 867;”, “52 Stat. 867-877;” and “52 Stat. 938;” preceding parenthetical references to sections of title 11.

#### EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-589 effective Oct. 1, 1979, but not applicable to proceedings under Title 11, Bankruptcy, commenced before Oct. 1, 1979, see section 7(e) of Pub. L. 96-589, set out as a note under section 108 of this title.

### Subchapter D—Seizure of Property for Collection of Taxes

#### Part

- I. Due process for collections.
- II. Levy.

#### AMENDMENTS

1998—Pub. L. 105-206, title III, §3401(b), July 22, 1998, 112 Stat. 747, added part analysis.

### PART I—DUE PROCESS FOR COLLECTIONS

#### Sec.

- 6330. Notice and opportunity for hearing before levy.

#### AMENDMENTS

1998—Pub. L. 105-206, title III, §3401(b), July 22, 1998, 112 Stat. 747, added part heading and analysis consisting of item 6330.

### § 6330. Notice and opportunity for hearing before levy

#### (a) Requirement of notice before levy

##### (1) In general

No levy may be made on any property or right to property of any person unless the Secretary has notified such person in writing of their right to a hearing under this section before such levy is made. Such notice shall be required only once for the taxable period to which the unpaid tax specified in paragraph (3)(A) relates.

##### (2) Time and method for notice

The notice required under paragraph (1) shall be—

- (A) given in person;
- (B) left at the dwelling or usual place of business of such person; or
- (C) sent by certified or registered mail, return receipt requested, to such person’s last known address;

not less than 30 days before the day of the first levy with respect to the amount of the unpaid tax for the taxable period.

##### (3) Information included with notice

The notice required under paragraph (1) shall include in simple and nontechnical terms—

- (A) the amount of unpaid tax;
- (B) the right of the person to request a hearing during the 30-day period under paragraph (2); and

(C) the proposed action by the Secretary and the rights of the person with respect to such action, including a brief statement which sets forth—

- (i) the provisions of this title relating to levy and sale of property;
- (ii) the procedures applicable to the levy and sale of property under this title;
- (iii) the administrative appeals available to the taxpayer with respect to such levy and sale and the procedures relating to such appeals;
- (iv) the alternatives available to taxpayers which could prevent levy on property (including installment agreements under section 6159); and
- (v) the provisions of this title and procedures relating to redemption of property and release of liens on property.

#### (b) Right to fair hearing

##### (1) In general

If the person requests a hearing in writing under subsection (a)(3)(B) and states the grounds for the requested hearing, such hearing shall be held by the Internal Revenue Service Office of Appeals.

##### (2) One hearing per period

A person shall be entitled to only one hearing under this section with respect to the taxable period to which the unpaid tax specified in subsection (a)(3)(A) relates.

##### (3) Impartial officer

The hearing under this subsection shall be conducted by an officer or employee who has had no prior involvement with respect to the unpaid tax specified in subsection (a)(3)(A) before the first hearing under this section or section 6320. A taxpayer may waive the requirement of this paragraph.

#### (c) Matters considered at hearing

In the case of any hearing conducted under this section—

##### (1) Requirement of investigation

The appeals officer shall at the hearing obtain verification from the Secretary that the requirements of any applicable law or administrative procedure have been met.

##### (2) Issues at hearing

###### (A) In general

The person may raise at the hearing any relevant issue relating to the unpaid tax or the proposed levy, including—

- (i) appropriate spousal defenses;
- (ii) challenges to the appropriateness of collection actions; and
- (iii) offers of collection alternatives, which may include the posting of a bond, the substitution of other assets, an installment agreement, or an offer-in-compromise.

###### (B) Underlying liability

The person may also raise at the hearing challenges to the existence or amount of the underlying tax liability for any tax period if the person did not receive any statutory notice of deficiency for such tax liability or did

not otherwise have an opportunity to dispute such tax liability.

**(3) Basis for the determination**

The determination by an appeals officer under this subsection shall take into consideration—

- (A) the verification presented under paragraph (1);
- (B) the issues raised under paragraph (2); and
- (C) whether any proposed collection action balances the need for the efficient collection of taxes with the legitimate concern of the person that any collection action be no more intrusive than necessary.

**(4) Certain issues precluded**

An issue may not be raised at the hearing if—

- (A)(i) the issue was raised and considered at a previous hearing under section 6320 or in any other previous administrative or judicial proceeding; and
- (ii) the person seeking to raise the issue participated meaningfully in such hearing or proceeding; or
- (B) the issue meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A).

This paragraph shall not apply to any issue with respect to which subsection (d)(2)(B) applies.

**(d) Proceeding after hearing**

**(1) Judicial review of determination**

The person may, within 30 days of a determination under this section, appeal such determination to the Tax Court (and the Tax Court shall have jurisdiction with respect to such matter).

**(2) Jurisdiction retained at IRS Office of Appeals**

The Internal Revenue Service Office of Appeals shall retain jurisdiction with respect to any determination made under this section, including subsequent hearings requested by the person who requested the original hearing on issues regarding—

- (A) collection actions taken or proposed with respect to such determination; and
- (B) after the person has exhausted all administrative remedies, a change in circumstances with respect to such person which affects such determination.

**(e) Suspension of collections and statute of limitations**

**(1) In general**

Except as provided in paragraph (2), if a hearing is requested under subsection (a)(3)(B), the levy actions which are the subject of the requested hearing and the running of any period of limitations under section 6502 (relating to collection after assessment), section 6531 (relating to criminal prosecutions), or section 6532 (relating to other suits) shall be suspended for the period during which such hearing, and appeals therein, are pending. In no event shall any such period expire before the 90th day after the day on which there is a final determination in such hearing. Notwithstand-

ing the provisions of section 7421(a), the beginning of a levy or proceeding during the time the suspension under this paragraph is in force may be enjoined by a proceeding in the proper court, including the Tax Court. The Tax Court shall have no jurisdiction under this paragraph to enjoin any action or proceeding unless a timely appeal has been filed under subsection (d)(1) and then only in respect of the unpaid tax or proposed levy to which the determination being appealed relates.

**(2) Levy upon appeal**

Paragraph (1) shall not apply to a levy action while an appeal is pending if the underlying tax liability is not at issue in the appeal and the court determines that the Secretary has shown good cause not to suspend the levy.

**(f) Exceptions**

If—

- (1) the Secretary has made a finding under the last sentence of section 6331(a) that the collection of tax is in jeopardy,
- (2) the Secretary has served a levy on a State to collect a Federal tax liability from a State tax refund,
- (3) the Secretary has served a disqualified employment tax levy, or
- (4) the Secretary has served a Federal contractor levy,

this section shall not apply, except that the taxpayer shall be given the opportunity for the hearing described in this section within a reasonable period of time after the levy.

**(g) Frivolous requests for hearing, etc.**

Notwithstanding any other provision of this section, if the Secretary determines that any portion of a request for a hearing under this section or section 6320 meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A), then the Secretary may treat such portion as if it were never submitted and such portion shall not be subject to any further administrative or judicial review.

**(h) Definitions related to exceptions**

For purposes of subsection (f)—

**(1) Disqualified employment tax levy**

A disqualified employment tax levy is any levy in connection with the collection of employment taxes for any taxable period if the person subject to the levy (or any predecessor thereof) requested a hearing under this section with respect to unpaid employment taxes arising in the most recent 2-year period before the beginning of the taxable period with respect to which the levy is served. For purposes of the preceding sentence, the term “employment taxes” means any taxes under chapter 21, 22, 23, or 24.

**(2) Federal contractor levy**

A Federal contractor levy is any levy if the person whose property is subject to the levy (or any predecessor thereof) is a Federal contractor.

(Added Pub. L. 105-206, title III, §3401(b), July 22, 1998, 112 Stat. 747; amended Pub. L. 106-554, §1(a)(7) [title III, §313(b)(2)(A), (d)], Dec. 21, 2000,

114 Stat. 2763, 2763A-642, 2763A-643; Pub. L. 109-280, title VIII, §855(a), Aug. 17, 2006, 120 Stat. 1019; Pub. L. 109-432, div. A, title IV, §407(b), Dec. 20, 2006, 120 Stat. 2961; Pub. L. 110-28, title VIII, §8243(a), (b), May 25, 2007, 121 Stat. 200; Pub. L. 111-240, title II, §2104(a)-(c), Sept. 27, 2010, 124 Stat. 2565.)

## AMENDMENTS

2010—Subsec. (f). Pub. L. 111-240, §2104(c), substituted “Exceptions” for “Jeopardy and State refund collection” in heading.

Subsec. (f)(4). Pub. L. 111-240, §2104(a), added par. (4).  
 Subsec. (h). Pub. L. 111-240, §2104(b), substituted “Definitions related to exceptions” for “Disqualified employment tax levy” in heading, inserted introductory provisions and par. (1) designation and heading, substituted “A disqualified employment tax levy is” for “For purposes of subsection (f), a disqualified employment tax levy is”, and added par. (2).

2007—Subsec. (f)(3). Pub. L. 110-28, §8243(a), added par. (3).

Subsec. (h). Pub. L. 110-28, §8243(b), added subsec. (h).  
 2006—Subsec. (b)(1). Pub. L. 109-432, §407(b)(3), substituted “in writing under subsection (a)(3)(B) and states the grounds for the requested hearing” for “under subsection (a)(3)(B)”.

Subsec. (c)(4)(A), (B). Pub. L. 109-432, §407(b)(2), redesignated subpars. (A) and (B) as cls. (i) and (ii), respectively, of subpar. (A), in cl. (ii) substituted “; or” for period at end, and added subpar. (B).

Subsec. (d)(1). Pub. L. 109-280, §855(a), reenacted heading without change and amended text of par. (1) generally. Prior to amendment, text read as follows: “The person may, within 30 days of a determination under this section, appeal such determination—

“(A) to the Tax Court (and the Tax Court shall have jurisdiction with respect to such matter); or

“(B) if the Tax Court does not have jurisdiction of the underlying tax liability, to a district court of the United States.

If a court determines that the appeal was to an incorrect court, a person shall have 30 days after the court determination to file such appeal with the correct court.”

Subsec. (g). Pub. L. 109-432, §407(b)(1), added subsec. (g).

2000—Subsec. (d)(1)(A). Pub. L. 106-554, §1(a)(7) [title III, §313(d)], substituted “with respect to” for “to hear”.

Subsec. (e)(1). Pub. L. 106-554, §1(a)(7) [title III, §313(b)(2)(A)], inserted at end “Notwithstanding the provisions of section 7421(a), the beginning of a levy or proceeding during the time the suspension under this paragraph is in force may be enjoined by a proceeding in the proper court, including the Tax Court. The Tax Court shall have no jurisdiction under this paragraph to enjoin any action or proceeding unless a timely appeal has been filed under subsection (d)(1) and then only in respect of the unpaid tax or proposed levy to which the determination being appealed relates.”

## EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111-240, title II, §2104(d), Sept. 27, 2010, 124 Stat. 2565, provided that: “The amendments made by this section [amending this section] shall apply to levies issued after the date of the enactment of this Act [Sept. 27, 2010].”

## EFFECTIVE DATE OF 2007 AMENDMENT

Pub. L. 110-28, title VIII, §8243(c), May 25, 2007, 121 Stat. 200, provided that: “The amendments made by this section [amending this section] shall apply to levies served on or after the date that is 120 days after the date of the enactment of this Act [May 25, 2007].”

## EFFECTIVE DATE OF 2006 AMENDMENT

Amendment by Pub. L. 109-432 applicable to submissions made and issues raised after the date on which

the Secretary first prescribes a list under section 6702(c) of this title, see section 407(f) of Pub. L. 109-432, set out as a note under section 6320 of this title.

Pub. L. 109-280, title VIII, §855(b), Aug. 17, 2006, 120 Stat. 1019, provided that: “The amendment made by this section [amending this section] shall apply to determinations made after the date which is 60 days after the date of the enactment of this Act [Aug. 17, 2006].”

## EFFECTIVE DATE OF 2000 AMENDMENT

Amendment by section 1(a)(7) [title III, §313(b)(2)(A)] of Pub. L. 106-554 effective Dec. 21, 2000, and amendment by section 1(a)(7) [title III, §313(d)] of Pub. L. 106-554, effective as if included in the provisions of the Internal Revenue Service Restructuring and Reform Act of 1998, Pub. L. 105-206, to which such amendment relates, see section 1(a)(7) [title III, §313(f)] of Pub. L. 106-554, set out as a note under section 6015 of this title.

## EFFECTIVE DATE

Section applicable to collection actions initiated after the date which is 180 days after July 22, 1998, see section 3401(d) of Pub. L. 105-206, set out as a note under section 6320 of this title.

## PART II—LEVY

Sec.

- 6331. Levy and distraint.
- 6332. Surrender of property subject to levy.
- 6333. Production of books.
- 6334. Property exempt from levy.
- 6335. Sale of seized property.
- 6336. Sale of perishable goods.
- 6337. Redemption of property.
- 6338. Certificate of sale; deed of real property.
- 6339. Legal effect of certificate of sale of personal property and deed of real property.
- 6340. Records of sale.
- 6341. Expense of levy and sale.
- 6342. Application of proceeds of levy.
- 6343. Authority to release levy and return property.
- 6344. Cross references.

## AMENDMENTS

1998—Pub. L. 105-206, title III, §3401(b), July 22, 1998, 112 Stat. 749, added part heading.

1966—Pub. L. 89-719, title I, §104(j), Nov. 2, 1966, 80 Stat. 1138, inserted “and return property” in item 6343.

## § 6331. Levy and distraint

## (a) Authority of Secretary

If any person liable to pay any tax neglects or refuses to pay the same within 10 days after notice and demand, it shall be lawful for the Secretary to collect such tax (and such further sum as shall be sufficient to cover the expenses of the levy) by levy upon all property and rights to property (except such property as is exempt under section 6334) belonging to such person or on which there is a lien provided in this chapter for the payment of such tax. Levy may be made upon the accrued salary or wages of any officer, employee, or elected official, of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia, by serving a notice of levy on the employer (as defined in section 3401(d)) of such officer, employee, or elected official. If the Secretary makes a finding that the collection of such tax is in jeopardy, notice and demand for immediate payment of such tax may be made by the Secretary and, upon failure or refusal to pay such tax, collection thereof by levy shall be law-

ful without regard to the 10-day period provided in this section.

**(b) Seizure and sale of property**

The term “levy” as used in this title includes the power of distraint and seizure by any means. Except as otherwise provided in subsection (e), a levy shall extend only to property possessed and obligations existing at the time thereof. In any case in which the Secretary may levy upon property or rights to property, he may seize and sell such property or rights to property (whether real or personal, tangible or intangible).

**(c) Successive seizures**

Whenever any property or right to property upon which levy has been made by virtue of subsection (a) is not sufficient to satisfy the claim of the United States for which levy is made, the Secretary may, thereafter, and as often as may be necessary, proceed to levy in like manner upon any other property liable to levy of the person against whom such claim exists, until the amount due from him, together with all expenses, is fully paid.

**(d) Requirement of notice before levy**

**(1) In general**

Levy may be made under subsection (a) upon the salary or wages or other property of any person with respect to any unpaid tax only after the Secretary has notified such person in writing of his intention to make such levy.

**(2) 30-day requirement**

The notice required under paragraph (1) shall be—

- (A) given in person,
- (B) left at the dwelling or usual place of business of such person, or
- (C) sent by certified or registered mail to such persons’s last known address,

no less than 30 days before the day of the levy.

**(3) Jeopardy**

Paragraph (1) shall not apply to a levy if the Secretary has made a finding under the last sentence of subsection (a) that the collection of tax is in jeopardy.

**(4) Information included with notice**

The notice required under paragraph (1) shall include a brief statement which sets forth in simple and nontechnical terms—

- (A) the provisions of this title relating to levy and sale of property,
- (B) the procedures applicable to the levy and sale of property under this title,
- (C) the administrative appeals available to the taxpayer with respect to such levy and sale and the procedures relating to such appeals,
- (D) the alternatives available to taxpayers which could prevent levy on the property (including installment agreements under section 6159),
- (E) the provisions of this title relating to redemption of property and release of liens on property, and
- (F) the procedures applicable to the redemption of property and the release of a lien on property under this title.

**(e) Continuing levy on salary and wages**

The effect of a levy on salary or wages payable to or received by a taxpayer shall be continuous from the date such levy is first made until such levy is released under section 6343.

**(f) Uneconomical levy**

No levy may be made on any property if the amount of the expenses which the Secretary estimates (at the time of levy) would be incurred by the Secretary with respect to the levy and sale of such property exceeds the fair market value of such property at the time of levy.

**(g) Levy on appearance date of summons**

**(1) In general**

No levy may be made on the property of any person on any day on which such person (or officer or employee of such person) is required to appear in response to a summons issued by the Secretary for the purpose of collecting any underpayment of tax.

**(2) No application in case of jeopardy**

This subsection shall not apply if the Secretary finds that the collection of tax is in jeopardy.

**(h) Continuing levy on certain payments**

**(1) In general**

If the Secretary approves a levy under this subsection, the effect of such levy on specified payments to or received by a taxpayer shall be continuous from the date such levy is first made until such levy is released. Notwithstanding section 6334, such continuous levy shall attach to up to 15 percent of any specified payment due to the taxpayer.

**(2) Specified payment**

For the purposes of paragraph (1), the term “specified payment” means—

- (A) any Federal payment other than a payment for which eligibility is based on the income or assets (or both) of a payee,
- (B) any payment described in paragraph (4), (7), (9), or (11) of section 6334(a), and
- (C) any annuity or pension payment under the Railroad Retirement Act or benefit under the Railroad Unemployment Insurance Act.

**(3) Increase in levy for certain payments**

Paragraph (1) shall be applied by substituting “100 percent” for “15 percent” in the case of any specified payment due to a vendor of property, goods, or services sold or leased to the Federal Government.

**(i) No levy during pendency of proceedings for refund of divisible tax**

**(1) In general**

No levy may be made under subsection (a) on the property or rights to property of any person with respect to any unpaid divisible tax during the pendency of any proceeding brought by such person in a proper Federal trial court for the recovery of any portion of such divisible tax which was paid by such person if—

- (A) the decision in such proceeding would be res judicata with respect to such unpaid tax; or

(B) such person would be collaterally estopped from contesting such unpaid tax by reason of such proceeding.

**(2) Divisible tax**

For purposes of paragraph (1), the term “divisible tax” means—

- (A) any tax imposed by subtitle C; and
- (B) the penalty imposed by section 6672 with respect to any such tax.

**(3) Exceptions**

**(A) Certain unpaid taxes**

This subsection shall not apply with respect to any unpaid tax if—

- (i) the taxpayer files a written notice with the Secretary which waives the restriction imposed by this subsection on levy with respect to such tax; or
- (ii) the Secretary finds that the collection of such tax is in jeopardy.

**(B) Certain levies**

This subsection shall not apply to—

- (i) any levy to carry out an offset under section 6402; and
- (ii) any levy which was first made before the date that the applicable proceeding under this subsection commenced.

**(4) Limitation on collection activity; authority to enjoin collection**

**(A) Limitation on collection**

No proceeding in court for the collection of any unpaid tax to which paragraph (1) applies shall be begun by the Secretary during the pendency of a proceeding under such paragraph. This subparagraph shall not apply to—

- (i) any counterclaim in a proceeding under such paragraph; or
- (ii) any proceeding relating to a proceeding under such paragraph.

**(B) Authority to enjoin**

Notwithstanding section 7421(a), a levy or collection proceeding prohibited by this subsection may be enjoined (during the period such prohibition is in force) by the court in which the proceeding under paragraph (1) is brought.

**(5) Suspension of statute of limitations on collection**

The period of limitations under section 6502 shall be suspended for the period during which the Secretary is prohibited under this subsection from making a levy.

**(6) Pendency of proceeding**

For purposes of this subsection, a proceeding is pending beginning on the date such proceeding commences and ending on the date that a final order or judgment from which an appeal may be taken is entered in such proceeding.

**(j) No levy before investigation of status of property**

**(1) In general**

For purposes of applying the provisions of this subchapter, no levy may be made on any property or right to property which is to be sold under section 6335 until a thorough inves-

tigation of the status of such property has been completed.

**(2) Elements in investigation**

For purposes of paragraph (1), an investigation of the status of any property shall include—

- (A) a verification of the taxpayer's liability;
- (B) the completion of an analysis under subsection (f);
- (C) the determination that the equity in such property is sufficient to yield net proceeds from the sale of such property to apply to such liability; and
- (D) a thorough consideration of alternative collection methods.

**(k) No levy while certain offers pending or installment agreement pending or in effect**

**(1) Offer-in-compromise pending**

No levy may be made under subsection (a) on the property or rights to property of any person with respect to any unpaid tax—

- (A) during the period that an offer-in-compromise by such person under section 7122 of such unpaid tax is pending with the Secretary; and
- (B) if such offer is rejected by the Secretary, during the 30 days thereafter (and, if an appeal of such rejection is filed within such 30 days, during the period that such appeal is pending).

For purposes of subparagraph (A), an offer is pending beginning on the date the Secretary accepts such offer for processing.

**(2) Installment agreements**

No levy may be made under subsection (a) on the property or rights to property of any person with respect to any unpaid tax—

- (A) during the period that an offer by such person for an installment agreement under section 6159 for payment of such unpaid tax is pending with the Secretary;
- (B) if such offer is rejected by the Secretary, during the 30 days thereafter (and, if an appeal of such rejection is filed within such 30 days, during the period that such appeal is pending);
- (C) during the period that such an installment agreement for payment of such unpaid tax is in effect; and
- (D) if such agreement is terminated by the Secretary, during the 30 days thereafter (and, if an appeal of such termination is filed within such 30 days, during the period that such appeal is pending).

**(3) Certain rules to apply**

Rules similar to the rules of—

- (A) paragraphs (3) and (4) of subsection (i), and
- (B) except in the case of paragraph (2)(C), paragraph (5) of subsection (i),

shall apply for purposes of this subsection.

**(l) Cross references**

**(1) For provisions relating to jeopardy, see subchapter A of chapter 70.**

**(2) For proceedings applicable to sale of seized property see section 6335.**

**(3) For release and notice of release of levy, see section 6343.**

(Aug. 16, 1954, ch. 736, 68A Stat. 783; Pub. L. 89-719, title I, §104(a), Nov. 2, 1966, 80 Stat. 1135; Pub. L. 92-178, title II, §211(a), Dec. 10, 1971, 85 Stat. 520; Pub. L. 94-455, title XII, §1209(d)(1), (2), (4), title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1710, 1711, 1834; Pub. L. 97-248, title III, §349(a), Sept. 3, 1982, 96 Stat. 639; Pub. L. 98-369, div. A, title VII, §714(o), July 18, 1984, 98 Stat. 964; Pub. L. 100-647, title VI, §6236(a), (b), (d), Nov. 10, 1988, 102 Stat. 3737, 3739; Pub. L. 105-34, title X, §1024(a), Aug. 5, 1997, 111 Stat. 923; Pub. L. 105-206, title III, §§3433(a), 3444(a), 3462(b), title VI, §6010(f), July 22, 1998, 112 Stat. 759, 762, 765, 814; Pub. L. 106-554, §1(a)(7) [title III, §313(b)(3)], Dec. 21, 2000, 114 Stat. 2763, 2763A-642; Pub. L. 107-147, title IV, §416(e)(1), Mar. 9, 2002, 116 Stat. 55; Pub. L. 108-357, title VIII, §887(a), Oct. 22, 2004, 118 Stat. 1641; Pub. L. 112-56, title III, §301(a), Nov. 21, 2011, 125 Stat. 733.)

REFERENCES IN TEXT

The Railroad Retirement Act, referred to in subsec. (h)(2)(C), is act Aug. 29, 1935, ch. 812, as amended generally by Pub. L. 93-445, title I, §101, Oct. 16, 1974, 88 Stat. 1305, known as the Railroad Retirement Act of 1974, which is classified generally to subchapter IV (§231 et seq.) of chapter 9 of Title 45, Railroads. For further details and complete classification of this Act to the Code, see Codification note set out preceding section 231 of Title 45, section 231t of Title 45, and Tables.

The Railroad Unemployment Insurance Act, referred to in subsec. (h)(2)(C), is act June 25, 1938, ch. 680, 52 Stat. 1094, as amended, which is classified principally to chapter 11 (§351 et seq.) of Title 45, Railroads. For complete classification of this Act to the Code, see section 367 of Title 45 and Tables.

AMENDMENTS

2011—Subsec. (h)(3). Pub. L. 112-56 substituted “property, goods, or services” for “goods or services”.

2004—Subsec. (h)(3). Pub. L. 108-357 added par. (3).

2002—Subsec. (k)(3). Pub. L. 107-147 reenacted heading without change and amended text generally. Prior to amendment, text read as follows: “Rules similar to the rules of paragraphs (3) and (4) of subsection (i) shall apply for purposes of this subsection.”

2000—Subsec. (k)(3). Pub. L. 106-554 substituted “(3) and (4)” for “(3), (4), and (5)”.

1998—Subsec. (h)(1). Pub. L. 105-206, §6010(f), substituted “If the Secretary approves a levy under this subsection, the effect of such levy” for “The effect of a levy”.

Subsec. (i). Pub. L. 105-206, §3433(a), added subsec. (i). Former subsec. (i) redesignated (j).

Subsec. (j). Pub. L. 105-206, §3444(a), added subsec. (j). Former subsec. (j) redesignated (k).

Pub. L. 105-206, §3433(a), redesignated subsec. (i) as (j).

Subsec. (k). Pub. L. 105-206, §3462(b), added subsec. (k). Former subsec. (k) redesignated (l).

Pub. L. 105-206, §3444(a), redesignated subsec. (j) as (k).

Subsec. (l). Pub. L. 105-206, §3462(b), redesignated subsec. (k) as (l).

1997—Subsecs. (h), (i). Pub. L. 105-34 added subsec. (h) and redesignated former subsec. (h) as (i).

1988—Subsec. (d)(2). Pub. L. 100-647, §6236(a)(1), (2), substituted “30-day” for “10-day” in heading and “30 days” for “10 days” in text.

Subsec. (d)(4). Pub. L. 100-647, §6236(a)(3), added par. (4).

Subsec. (e). Pub. L. 100-647, §6236(b)(1), amended subsec. (e) generally. Prior to amendment, subsec. (e) consisted of two pars. relating to effect of continuing levy

on salary and wages and release and notice of release of levy.

Subsecs. (f), (g). Pub. L. 100-647, §6236(d), added subsecs. (f) and (g). Former subsec. (f) redesignated (h).

Subsec. (h). Pub. L. 100-647, §6236(b)(2), (d), redesignated subsec. (f) as (h) and added par. (3).

1984—Subsec. (b). Pub. L. 98-369 substituted “subsection (e)” for “subsection (d)(3)”.

1982—Subsec. (d). Pub. L. 97-248 inserted authority to levy upon property other than salary or wages, substituted “person” for “individual” wherever appearing, designated second sentence of former par. (1) as par. (2) and in par. (2)(C) as so designated substituted “certified or registered mail” for “mail”, and redesignated former par. (2) as (3) and former par. (3) as subsec. (e).

Subsec. (e). Pub. L. 97-248 redesignated former subsec. (d)(3) as (e). Former subsec. (e) redesignated (f).

Subsec. (f). Pub. L. 97-248 redesignated former subsec. (e) as (f).

1976—Subsec. (a). Pub. L. 94-455, §1906(b)(13)(A), struck out “or his delegate” after “Secretary” wherever appearing.

Subsec. (b). Pub. L. 94-455, §§1209(d)(2), 1906(b)(13)(A), substituted in second sentence “Except as otherwise provided in subsection (d)(3), a levy” for “A levy” and struck out “or his delegate” after “Secretary”.

Subsec. (c). Pub. L. 94-455, §1906(b)(13)(A), struck out “or his delegate” after “Secretary”.

Subsec. (d)(1). Pub. L. 94-455, §§1209(d)(4), 1906(b)(13)(A), struck out provision that no additional notice shall be required in the case of successive levies with respect to such tax and “or his delegate” after “Secretary”.

Subsec. (d)(2). Pub. L. 94-455, §1906(b)(13)(A), struck out “or his delegate” after “Secretary”.

Subsec. (d)(3). Pub. L. 94-455, §1209(d)(1), added par. (3).

1971—Subsecs. (d), (e). Pub. L. 92-178 added subsec. (d) and redesignated former subsec. (d) as (e).

1966—Subsec. (b). Pub. L. 89-719 inserted sentence providing that a levy shall extend only to property possessed and obligations existing at the time thereof.

EFFECTIVE DATE OF 2011 AMENDMENT

Pub. L. 112-56, title III, §301(b), Nov. 21, 2011, 125 Stat. 733, provided that: “The amendment made by this section [amending this section] shall apply to levies issued after the date of the enactment of this Act [Nov. 21, 2011].”

EFFECTIVE DATE OF 2004 AMENDMENT

Pub. L. 108-357, title VIII, §887(b), Oct. 22, 2004, 118 Stat. 1642, provided that: “The amendment made by this section [amending this section] shall take effect on the date of the enactment of this Act [Oct. 22, 2004].”

EFFECTIVE DATE OF 2002 AMENDMENT

Pub. L. 107-147, title IV, §416(e)(2), Mar. 9, 2002, 116 Stat. 55, provided that: “The amendment made by this subsection [amending this section] shall take effect on the date of the enactment of this Act [Mar. 9, 2002].”

EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105-206, title III, §3433(b), July 22, 1998, 112 Stat. 760, provided that: “The amendment made by this section [amending this section] shall apply to unpaid tax attributable to taxable periods beginning after December 31, 1998.”

Pub. L. 105-206, title III, §3444(b), July 22, 1998, 112 Stat. 762, provided that: “The amendments made by this section [amending this section] shall take effect on the date of the enactment of this Act [July 22, 1998].”

Pub. L. 105-206, title III, §3462(e), July 22, 1998, 112 Stat. 766, provided that:

“(1) IN GENERAL.—The amendments made by this section [amending this section and sections 6159 and 7122 of this title] shall apply to proposed offers-in-compromise and installment agreements submitted after the date of the enactment of this Act [July 22, 1998].”

“(2) SUSPENSION OF COLLECTION BY LEVY.—The amendment made by subsection (b) [amending this section] shall apply to offers-in-compromise pending on or made after December 31, 1999.”

Amendment by section 6010(f) of Pub. L. 105-206 effective, except as otherwise provided, as if included in the provisions of the Taxpayer Relief Act of 1997, Pub. L. 105-34, to which such amendment relates, see section 6024 of Pub. L. 105-206, set out as a note under section 1 of this title.

#### EFFECTIVE DATE OF 1997 AMENDMENT

Section 1024(b) of Pub. L. 105-34 provided that: “The amendment made by subsection (a) [amending this section] shall apply to levies issued after the date of the enactment of this Act [Aug. 5, 1997].”

#### EFFECTIVE DATE OF 1988 AMENDMENT

Section 6236(h) of Pub. L. 100-647 provided that:

“(1) IN GENERAL.—The amendments made by this section (other than subsection (g)) [amending this section and sections 6332, 6334, and 6343 of this title] shall apply to levies issued on or after July 1, 1989.

“(2) SUBSECTION (g).—The amendment made by subsection (g) [amending section 6335 of this title] shall apply to requests made on or after January 1, 1989.”

#### EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-369 effective as if included in the provision of the Tax Equity and Fiscal Responsibility Act of 1982, Pub. L. 97-248, to which such amendment relates, see section 715 of Pub. L. 98-369, set out as a note under section 31 of this title.

#### EFFECTIVE DATE OF 1982 AMENDMENT

Section 349(b) of Pub. L. 97-248 provided that: “The amendment made by subsection (a) [amending this section] shall apply to levies made after December 31, 1982.”

#### EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by section 1209(d)(1), (2), (4) of Pub. L. 94-455 effective only with respect to levies made after Feb. 28, 1977, see section 1209(e) of Pub. L. 94-455 as amended by section 2(c) of Pub. L. 94-528, Oct. 17, 1976, 90 Stat. 2483, set out as a note under section 6334 of this title.

#### EFFECTIVE DATE OF 1971 AMENDMENT

Section 211(b) of Pub. L. 92-178 provided that: “The amendments made by this section [amending this section] shall apply with respect to levies made after March 31, 1972.”

#### EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-719 applicable after Nov. 2, 1966, regardless of when title or lien of United States arose or when lien or interest of another person was acquired, with certain exceptions, see section 114(a)-(c) of Pub. L. 89-719, set out as a note under section 6323 of this title.

### § 6332. Surrender of property subject to levy

#### (a) Requirement

Except as otherwise provided in this section, any person in possession of (or obligated with respect to) property or rights to property subject to levy upon which a levy has been made shall, upon demand of the Secretary, surrender such property or rights (or discharge such obligation) to the Secretary, except such part of the property or rights as is, at the time of such demand, subject to an attachment or execution under any judicial process.

#### (b) Special rule for life insurance and endowment contracts

##### (1) In general

A levy on an organization with respect to a life insurance or endowment contract issued by such organization shall, without necessity for the surrender of the contract document, constitute a demand by the Secretary for payment of the amount described in paragraph (2) and the exercise of the right of the person against whom the tax is assessed to the advance of such amount. Such organization shall pay over such amount 90 days after service of notice of levy. Such notice shall include a certification by the Secretary that a copy of such notice has been mailed to the person against whom the tax is assessed at his last known address.

##### (2) Satisfaction of levy

Such levy shall be deemed to be satisfied if such organization pays over to the Secretary the amount which the person against whom the tax is assessed could have had advanced to him by such organization on the date prescribed in paragraph (1) for the satisfaction of such levy, increased by the amount of any advance (including contractual interest thereon) made to such person on or after the date such organization had actual notice or knowledge (within the meaning of section 6323(i)(1)) of the existence of the lien with respect to which such levy is made, other than an advance (including contractual interest thereon) made automatically to maintain such contract in force under an agreement entered into before such organization had such notice or knowledge.

##### (3) Enforcement proceedings

The satisfaction of a levy under paragraph (2) shall be without prejudice to any civil action for the enforcement of any lien imposed by this title with respect to such contract.

#### (c) Special rule for banks

Any bank (as defined in section 408(n)) shall surrender (subject to an attachment or execution under judicial process) any deposits (including interest thereon) in such bank only after 21 days after service of levy.

#### (d) Enforcement of levy

##### (1) Extent of personal liability

Any person who fails or refuses to surrender any property or rights to property, subject to levy, upon demand by the Secretary, shall be liable in his own person and estate to the United States in a sum equal to the value of the property or rights not so surrendered, but not exceeding the amount of taxes for the collection of which such levy has been made, together with costs and interest on such sum at the underpayment rate established under section 6621 from the date of such levy (or, in the case of a levy described in section 6331(d)(3), from the date such person would otherwise have been obligated to pay over such amounts to the taxpayer). Any amount (other than costs) recovered under this paragraph shall be credited against the tax liability for the collection of which such levy was made.

**(2) Penalty for violation**

In addition to the personal liability imposed by paragraph (1), if any person required to surrender property or rights to property fails or refuses to surrender such property or rights to property without reasonable cause, such person shall be liable for a penalty equal to 50 percent of the amount recoverable under paragraph (1). No part of such penalty shall be credited against the tax liability for the collection of which such levy was made.

**(e) Effect of honoring levy**

Any person in possession of (or obligated with respect to) property or rights to property subject to levy upon which a levy has been made who, upon demand by the Secretary, surrenders such property or rights to property (or discharges such obligation) to the Secretary (or who pays a liability under subsection (d)(1)) shall be discharged from any obligation or liability to the delinquent taxpayer and any other person with respect to such property or rights to property arising from such surrender or payment.

**(f) Person defined**

The term “person,” as used in subsection (a), includes an officer or employee of a corporation or a member or employee of a partnership, who as such officer, employee, or member is under a duty to surrender the property or rights to property, or to discharge the obligation.

(Aug. 16, 1954, ch. 736, 68A Stat. 784; Pub. L. 89-719, title I, §104(b), Nov. 2, 1966, 80 Stat. 1135; Pub. L. 93-625, §7(a)(2)(D), Jan. 3, 1975, 88 Stat. 2115; Pub. L. 94-455, title XII, §1209(d)(3), title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1710, 1834; Pub. L. 99-514, title XV, §1511(c)(9), Oct. 22, 1986, 100 Stat. 2745; Pub. L. 100-647, title I, §1015(t)(1), title VI, §6236(e), Nov. 10, 1988, 102 Stat. 3573, 3739; Pub. L. 101-508, title XI, §11704(a)(27), Nov. 5, 1990, 104 Stat. 1388-519.)

**AMENDMENTS**

1990—Subsec. (a). Pub. L. 101-508 substituted “this section” for “subsections (b) and (c)”.

1988—Subsec. (a). Pub. L. 100-647, §6236(e)(2)(A), substituted “subsections (b) and (c)” for “subsection (b)”.

Subsec. (c). Pub. L. 100-647, §6236(e)(1), added subsec. (c). Former subsec. (c) redesignated (d).

Subsec. (d). Pub. L. 100-647, §6236(e)(1), redesignated subsec. (c) as (d). Former subsec. (d) redesignated (e).

Pub. L. 100-647, §1015(t)(1), inserted “and any other person” after “delinquent taxpayer” and struck out sentence at end providing that in the case of a levy which is satisfied pursuant to subsection (b), such organization shall also be discharged from any obligation or liability to any beneficiary arising from such surrender or payment.

Subsec. (e). Pub. L. 100-647, §6236(e)(1), (2)(B), redesignated subsec. (d) as (e) and substituted “subsection (d)(1)” for “subsection (c)(1)”. Former subsec. (e) redesignated (f).

Subsec. (f). Pub. L. 100-647, §6236(e)(1), redesignated subsec. (e) as (f).

1986—Subsec. (c)(1). Pub. L. 99-514 substituted “the underpayment rate established under section 6621” for “an annual rate established under section 6621”.

1976—Subsecs. (a), (b). Pub. L. 94-455, §1906(b)(13)(A), struck out “or his delegate” after “Secretary” wherever appearing.

Subsec. (c)(1). Pub. L. 94-455, §1209(d)(3), 1906(b)(13)(A), inserted “(or, in the case of a levy de-

scribed in section 6331(d)(3), from the date such person would otherwise have been obligated to pay over such amounts to the taxpayer)” after “date of such levy”, and struck out “or his delegate” after “Secretary”.

Subsec. (d). Pub. L. 94-455, §1906(b)(13)(A), struck out “or his delegate” after “Secretary”.

1975—Subsec. (c)(1). Pub. L. 93-625 substituted “an annual rate established under section 6621” for “the rate of 6 percent per annum”.

1966—Subsec. (a). Pub. L. 89-719, §104(b)(1), substituted “Except as otherwise provided in subsection (b), any person” for “Any person”.

Subsec. (b). Pub. L. 89-719, §104(b)(2), added subsec. (b). Former subsec. (b) redesignated, with amendments, as subsec. (c)(1).

Subsec. (c). Pub. L. 89-719, §104(b)(2)-(4), redesignated as par. (1) provisions formerly set out as subsec. (b), inserted provisions that any amount other than costs recovered under par. (1) shall be credited against the tax liability for the collection of which the levy was made, and added par. (2). Former subsec. (c) redesignated (e).

Subsec. (d). Pub. L. 89-719, §104(b)(4), added subsec. (d).

Subsec. (e). Pub. L. 89-719, §104(b)(3), redesignated former subsec. (c) as (e).

**EFFECTIVE DATE OF 1988 AMENDMENT**

Section 1015(t)(2) of Pub. L. 100-647 provided that: “The amendment made by this subsection [amending this section] shall apply to levies issued after the date of the enactment of this Act [Nov. 10, 1988].”

Amendment by section 6236(e) of Pub. L. 100-647 applicable to levies issued on or after July 1, 1989, see section 6236(h)(1) of Pub. L. 100-647, set out as a note under section 6331 of this title.

**EFFECTIVE DATE OF 1986 AMENDMENT**

Amendment by Pub. L. 99-514 applicable for purposes of determining interest for periods after Dec. 31, 1986, see section 1511(d) of Pub. L. 99-514, set out as a note under section 47 of this title.

**EFFECTIVE DATE OF 1976 AMENDMENT**

Amendment by section 1209(d)(3) of Pub. L. 94-455 effective only with respect to levies made after Feb. 28, 1977, see section 1209(e) of Pub. L. 94-455, as amended by section 2(c) of Pub. L. 94-528, Oct. 17, 1976, 90 Stat. 2483, set out as a note under section 6334 of this title.

**EFFECTIVE DATE OF 1975 AMENDMENT**

Amendment by Pub. L. 93-625 effective July 1, 1975, and applicable to amounts outstanding on such date or arising thereafter, see section 7(e) of Pub. L. 93-625, set out as an Effective Date note under section 6621 of this title.

**EFFECTIVE DATE OF 1966 AMENDMENT**

Amendment by Pub. L. 89-719 applicable after Nov. 2, 1966, regardless of when title or lien of United States arose or when lien or interest of another person was acquired, with certain exceptions, see section 114(a)-(c) of Pub. L. 89-719, set out as a note under section 6323 of this title.

**§ 6333. Production of books**

If a levy has been made or is about to be made on any property, or right to property, any person having custody or control of any books or records, containing evidence or statements relating to the property or right to property subject to levy, shall, upon demand of the Secretary, exhibit such books or records to the Secretary.

(Aug. 16, 1954, ch. 736, 68A Stat. 784; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834.)



## AMENDMENTS

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary” wherever appearing.

**§ 6334. Property exempt from levy****(a) Enumeration**

There shall be exempt from levy—

**(1) Wearing apparel and school books**

Such items of wearing apparel and such school books as are necessary for the taxpayer or for members of his family;

**(2) Fuel, provisions, furniture, and personal effects**

So much of the fuel, provisions, furniture, and personal effects in the taxpayer's household, and of the arms for personal use, livestock, and poultry of the taxpayer, as does not exceed \$6,250 in value;

**(3) Books and tools of a trade, business, or profession**

So many of the books and tools necessary for the trade, business, or profession of the taxpayer as do not exceed in the aggregate \$3,125 in value.

**(4) Unemployment benefits**

Any amount payable to an individual with respect to his unemployment (including any portion thereof payable with respect to dependents) under an unemployment compensation law of the United States, of any State, or of the District of Columbia or of the Commonwealth of Puerto Rico.

**(5) Undelivered mail**

Mail, addressed to any person, which has not been delivered to the addressee.

**(6) Certain annuity and pension payments**

Annuity or pension payments under the Railroad Retirement Act, benefits under the Railroad Unemployment Insurance Act, special pension payments received by a person whose name has been entered on the Army, Navy, Air Force, and Coast Guard Medal of Honor roll (38 U.S.C. 1562), and annuities based on retired or retainer pay under chapter 73 of title 10 of the United States Code.

**(7) Workmen's compensation**

Any amount payable to an individual as workmen's compensation (including any portion thereof payable with respect to dependents) under a workmen's compensation law of the United States, any State, the District of Columbia, or the Commonwealth of Puerto Rico.

**(8) Judgments for support of minor children**

If the taxpayer is required by judgment of a court of competent jurisdiction, entered prior to the date of levy, to contribute to the support of his minor children, so much of his salary, wages, or other income as is necessary to comply with such judgment.

**(9) Minimum exemption for wages, salary, and other income**

Any amount payable to or received by an individual as wages or salary for personal serv-

ices, or as income derived from other sources, during any period, to the extent that the total of such amounts payable to or received by him during such period does not exceed the applicable exempt amount determined under subsection (d).

**(10) Certain service-connected disability payments**

Any amount payable to an individual as a service-connected (within the meaning of section 101(16) of title 38, United States Code) disability benefit under—

(A) subchapter II, III, IV, V,<sup>1</sup> or VI of chapter 11 of such title 38, or

(B) chapter 13, 21, 23, 31, 32, 34, 35, 37, or 39 of such title 38.

**(11) Certain public assistance payments**

Any amount payable to an individual as a recipient of public assistance under—

(A) title IV or title XVI (relating to supplemental security income for the aged, blind, and disabled) of the Social Security Act, or

(B) State or local government public assistance or public welfare programs for which eligibility is determined by a needs or income test.

**(12) Assistance under Job Training Partnership Act**

Any amount payable to a participant under the Job Training Partnership Act (29 U.S.C. 1501 et seq.) from funds appropriated pursuant to such Act.

**(13) Residences exempt in small deficiency cases and principal residences and certain business assets exempt in absence of certain approval or jeopardy****(A) Residences in small deficiency cases**

If the amount of the levy does not exceed \$5,000—

(i) any real property used as a residence by the taxpayer; or

(ii) any real property of the taxpayer (other than real property which is rented) used by any other individual as a residence.

**(B) Principal residences and certain business assets**

Except to the extent provided in subsection (e)—

(i) the principal residence of the taxpayer (within the meaning of section 121); and

(ii) tangible personal property or real property (other than real property which is rented) used in the trade or business of an individual taxpayer.

**(b) Appraisal**

The officer seizing property of the type described in subsection (a) shall appraise and set aside to the owner the amount of such property declared to be exempt. If the taxpayer objects at the time of the seizure to the valuation fixed by the officer making the seizure, the Secretary shall summon three disinterested individuals who shall make the valuation.

<sup>1</sup> So in original.

**(c) No other property exempt**

Notwithstanding any other law of the United States (including section 207 of the Social Security Act), no property or rights to property shall be exempt from levy other than the property specifically made exempt by subsection (a).

**(d) Exempt amount of wages, salary, or other income****(1) Individuals on weekly basis**

In the case of an individual who is paid or receives all of his wages, salary, and other income on a weekly basis, the amount of the wages, salary, and other income payable to or received by him during any week which is exempt from levy under subsection (a)(9) shall be the exempt amount.

**(2) Exempt amount**

For purposes of paragraph (1), the term “exempt amount” means an amount equal to—

- (A) the sum of—
  - (i) the standard deduction, and
  - (ii) the aggregate amount of the deductions for personal exemptions allowed the taxpayer under section 151 in the taxable year in which such levy occurs, divided by
- (B) 52.

Unless the taxpayer submits to the Secretary a written and properly verified statement specifying the facts necessary to determine the proper amount under subparagraph (A), subparagraph (A) shall be applied as if the taxpayer were a married individual filing a separate return with only 1 personal exemption.

**(3) Individuals on basis other than weekly**

In the case of any individual not described in paragraph (1), the amount of the wages, salary, and other income payable to or received by him during any applicable pay period or other fiscal period (as determined under regulations prescribed by the Secretary) which is exempt from levy under subsection (a)(9) shall be an amount (determined under such regulations) which as nearly as possible will result in the same total exemption from levy for such individual over a period of time as he would have under paragraph (1) if (during such period of time) he were paid or received such wages, salary, and other income on a regular weekly basis.

**(e) Levy allowed on principal residences and certain business assets in certain circumstances****(1) Principal residences****(A) Approval required**

A principal residence shall not be exempt from levy if a judge or magistrate of a district court of the United States approves (in writing) the levy of such residence.

**(B) Jurisdiction**

The district courts of the United States shall have exclusive jurisdiction to approve a levy under subparagraph (A).

**(2) Certain business assets**

Property (other than a principal residence) described in subsection (a)(13)(B) shall not be exempt from levy if—

(A) a district director or assistant district director of the Internal Revenue Service personally approves (in writing) the levy of such property; or

(B) the Secretary finds that the collection of tax is in jeopardy.

An official may not approve a levy under subparagraph (A) unless the official determines that the taxpayer's other assets subject to collection are insufficient to pay the amount due, together with expenses of the proceedings.

**(f) Levy allowed on certain specified payments**

Any payment described in subparagraph (B) or (C) of section 6331(h)(2) shall not be exempt from levy if the Secretary approves the levy thereon under section 6331(h).

**(g) Inflation adjustment****(1) In general**

In the case of any calendar year beginning after 1999, each dollar amount referred to in paragraphs (2) and (3) of subsection (a) shall be increased by an amount equal to—

(A) such dollar amount, multiplied by

(B) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, by substituting “calendar year 1998” for “calendar year 1992” in subparagraph (B) thereof.

**(2) Rounding**

If any dollar amount after being increased under paragraph (1) is not a multiple of \$10, such dollar amount shall be rounded to the nearest multiple of \$10.

(Aug. 16, 1954, ch. 736, 68A Stat. 784; Pub. L. 85-840, title IV, § 406, Aug. 28, 1958, 72 Stat. 1047; Pub. L. 89-44, title VIII, § 812(a), June 21, 1965, 79 Stat. 170; Pub. L. 89-719, title I, § 104(c), Nov. 2, 1966, 80 Stat. 1137; Pub. L. 91-172, title IX, § 945(a), Dec. 30, 1969, 83 Stat. 729; Pub. L. 94-455, title XII, § 1209(a)-(c), title XIX, § 1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1709, 1710, 1834; Pub. L. 97-248, title III, § 347(a), Sept. 3, 1982, 96 Stat. 638; Pub. L. 98-369, div. B, title VI, § 2661(o)(5), July 18, 1984, 98 Stat. 1159; Pub. L. 99-514, title XV, § 1565(a), Oct. 22, 1986, 100 Stat. 2763; Pub. L. 100-647, title I, § 1015(o), title VI, § 6236(c), Nov. 10, 1988, 102 Stat. 3572, 3738; Pub. L. 102-83, § 5(c)(2), Aug. 6, 1991, 105 Stat. 406; Pub. L. 104-168, title V, § 502(a)-(c), July 30, 1996, 110 Stat. 1461; Pub. L. 104-193, title I, § 110(l)(3), formerly § 110(l)(6), Aug. 22, 1996, 110 Stat. 2173, renumbered and amended Pub. L. 105-33, title V, § 5514(a)(2), (3), Aug. 5, 1997, 111 Stat. 620; Pub. L. 105-34, title III, § 312(d)(1), title X, § 1025(a), Aug. 5, 1997, 111 Stat. 839, 924; Pub. L. 105-206, title III, §§ 3431(a)-(c), 3445(a), (b), July 22, 1998, 112 Stat. 758, 762, 763.)

**INFLATION ADJUSTED ITEMS FOR CERTAIN YEARS**

*For inflation adjustment of certain items in this section, see Revenue Procedures listed in a table under section 1 of this title.*

**REFERENCES IN TEXT**

The Railroad Retirement Act, referred to in subsec. (a)(6), is act Aug. 29, 1935, ch. 812, as amended generally by Pub. L. 93-445, title I, § 101, Oct. 16, 1974, 88 Stat. 1305, known as the Railroad Retirement Act of 1974, which is

classified generally to subchapter IV (§231 et seq.) of chapter 9 of Title 45, Railroads. For further details and complete classification of this Act to the Code, see Codification note set out preceding section 231 of Title 45, section 231t of Title 45, and Tables.

The Railroad Unemployment Insurance Act, referred to in subsec. (a)(6), is act June 25, 1938, ch. 680, 52 Stat. 1094, as amended, which is classified principally to chapter 11 (§351 et seq.) of Title 45. For complete classification of this Act to the Code, see section 367 of Title 45 and Tables.

The Social Security Act, referred to in subsecs. (a)(11)(A) and (c), is act Aug. 14, 1935, ch. 531, 49 Stat. 620, as amended. Titles IV and XVI of the Social Security Act are classified generally to subchapters IV (§601 et seq.) and XVI (§1381 et seq.), respectively, of chapter 7 of Title 42, The Public Health and Welfare. Section 207 of the Social Security Act is classified to section 407 of Title 42. For complete classification of this Act to the Code, see section 1305 of Title 42 and Tables.

The Job Training Partnership Act, referred to in subsec. (a)(12), is Pub. L. 97-300, Oct. 13, 1982, 96 Stat. 1322, as amended, which was classified generally to chapter 19 (§1501 et seq.) of Title 29, Labor, and was repealed by Pub. L. 105-220, title I, §199(b)(2), (c)(2)(B), Aug. 7, 1998, 112 Stat. 1059, effective July 1, 2000. Pursuant to section 2940(b) of Title 29, references to a provision of the Job Training Partnership Act, effective Aug. 7, 1998, are deemed to refer to that provision or the corresponding provision of the Workforce Investment Act of 1998, Pub. L. 105-220, Aug. 7, 1998, 112 Stat. 936, and effective July 1, 2000, are deemed to refer to the corresponding provision of the Workforce Investment Act of 1998. For complete classification of the Job Training Partnership Act to the Code, see Tables. For complete classification of the Workforce Investment Act of 1998 to the Code, see Short Title note set out under section 9201 of Title 20, Education, and Tables.

#### AMENDMENTS

1998—Subsec. (a)(2). Pub. L. 105-206, §3431(a), substituted “\$6,250” for “\$2,500”.

Subsec. (a)(3). Pub. L. 105-206, §3431(b), substituted “\$3,125” for “\$1,250”.

Subsec. (a)(13). Pub. L. 105-206, §3445(a), amended heading and text of par. (13) generally. Prior to amendment, text read as follows: “Except to the extent provided in subsection (e), the principal residence of the taxpayer (within the meaning of section 121).”

Subsec. (e). Pub. L. 105-206, §3445(b), amended heading and text of subsec. (e) generally. Prior to amendment, text read as follows: “Property described in subsection (a)(13) shall not be exempt from levy if—

“(1) a district director or assistant district director of the Internal Revenue Service personally approves (in writing) the levy of such property, or

“(2) the Secretary finds that the collection of tax is in jeopardy.”

Subsec. (g)(1). Pub. L. 105-206, §3431(c)(1), substituted “1999” for “1997” in introductory provisions.

Subsec. (g)(1)(B). Pub. L. 105-206, §3431(c)(2), substituted “1998” for “1996”.

1997—Subsec. (a)(11)(A). Pub. L. 105-33, §5514(a)(3), made technical amendment to directory language of Pub. L. 104-193, §110(l)(3). See 1996 Amendment note below.

Subsec. (a)(13). Pub. L. 105-34, §312(d)(1), substituted “section 121” for “section 1034”.

Subsecs. (f), (g). Pub. L. 105-34 added subsec. (f) and redesignated former subsec. (f) as (g).

1996—Subsec. (a)(2). Pub. L. 104-168, §502(a), substituted “So” for “If the taxpayer is the head of a family, so”, “the taxpayer’s household” for “his household”, and “\$2,500” for “\$1,650 (\$1,550 in the case of levies issued during 1989)”.

Subsec. (a)(3). Pub. L. 104-168, §502(b), substituted “\$1,250” for “\$1,100 (\$1,050 in the case of levies issued during 1989)”.

Subsec. (a)(11)(A). Pub. L. 104-193, §110(l)(3), formerly §110(l)(6), as renumbered and amended by Pub. L. 105-33,

struck out “(relating to aid to families with dependent children)” after “title IV”.

Subsec. (f). Pub. L. 104-168, §502(c), added subsec. (f). 1991—Subsec. (a)(6). Pub. L. 102-83 substituted “1562” for “562”.

1988—Subsec. (a)(2). Pub. L. 100-647, §6236(c)(1), substituted “\$1,650 (\$1,550 in the case of levies issued during 1989)” for “\$1,500”.

Subsec. (a)(3). Pub. L. 100-647, §6236(c)(2), substituted “\$1,100 (\$1,050 in the case of levies issued during 1989)” for “\$1,000”.

Subsec. (a)(10)(A). Pub. L. 100-647, §1015(o)(1), substituted “III, IV, V,” for “IV” and added “or” at end. Subsec. (a)(10)(B), (C). Pub. L. 100-647, §1015(o)(2), (3), redesignated subpar. (C) as (B) and substituted “13, 21, 23” for “21”, and struck out former subpar. (B), which read as follows: “subchapter I, II, or III of chapter 19 of such title 38, or”.

Subsec. (a)(11) to (13). Pub. L. 100-647, §6236(c)(4)(A), added pars. (11) to (13).

Subsec. (d)(1). Pub. L. 100-647, §6236(c)(3)(A), amended par. (1) generally, striking out after introductory provisions the following definition of exempt amount:

“(A) \$75, plus

“(B) \$25 for each individual who is specified in a written statement which is submitted to the person on whom notice of levy is served and which is verified in such manner as the Secretary shall prescribe by regulations and—

“(i) over half of whose support for the payroll period was received from the taxpayer,

“(ii) who is the spouse of the taxpayer, or who bears a relationship to the taxpayer specified in paragraphs (1) through (9) of section 152(a) (relating to definition of dependents), and

“(iii) who is not a minor child of the taxpayer with respect to whom amounts are exempt from levy under subsection (a)(8) for the payroll period. For purposes of subparagraph (B)(ii) of the preceding sentence, ‘payroll period’ shall be substituted for ‘taxable year’ each place it appears in paragraph (9) of section 152(a).”

Subsec. (d)(2), (3). Pub. L. 100-647, §6236(c)(3)(B), added par. (2) and redesignated former par. (2) as (3).

Subsec. (e). Pub. L. 100-647, §6236(c)(4)(B), added subsec. (e).

1986—Subsec. (a)(10). Pub. L. 99-514 added par. (10).

1984—Subsec. (c). Pub. L. 98-369 inserted “(including section 207 of the Social Security Act)”.

1982—Subsec. (a)(2). Pub. L. 97-248, §347(a)(1), substituted “\$1,500” for “\$500”.

Subsec. (a)(3). Pub. L. 97-248, §347(a)(2), substituted “\$1,000” for “\$250”.

Subsec. (d)(1)(A). Pub. L. 97-248, §347(a)(3)(A), substituted “\$75” for “\$50”.

Subsec. (d)(1)(B). Pub. L. 97-248, §347(a)(3)(B), substituted “\$25” for “\$15”.

1976—Subsec. (a)(8). Pub. L. 94-455, §1209(c), substituted “Judgments for support of minor children” for “Salary, wages, or other income” in heading.

Subsec. (a)(9). Pub. L. 94-455, §1209(a), added par. (9).

Subsec. (b). Pub. L. 94-455, §1906(b)(13)(A), struck out “or his delegate” after “Secretary”.

Subsec. (d). Pub. L. 94-455, §1209(b), added subsec. (d). 1969—Subsec. (a)(8). Pub. L. 91-172 added par. (8).

1966—Subsec. (a)(4). Pub. L. 89-719, §104(c)(1), struck out “or Territory” after “of any State”.

Subsec. (a)(6), (7). Pub. L. 89-719, §104(c)(2), added pars. (6) and (7).

1965—Subsec. (a)(5). Pub. L. 89-44 added par. (5).

1958—Subsec. (a)(4). Pub. L. 85-840 added par. (4).

#### CHANGE OF NAME

Reference to United States magistrate or to magistrate deemed to refer to United States magistrate judge pursuant to section 321 of Pub. L. 101-650, set out as a note under section 631 of Title 28, Judiciary and Judicial Procedure.

#### EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105-206, title III, §3431(d), July 22, 1998, 112 Stat. 758, provided that: “The amendments made by

this section [amending this section] shall take effect with respect to levies issued after the date of the enactment of this Act [July 22, 1998].”

Pub. L. 105-206, title III, §3445(d), July 22, 1998, 112 Stat. 763, provided that: “The amendments made by this section [amending this section] shall take effect on the date of the enactment of this Act [July 22, 1998].”

#### EFFECTIVE DATE OF 1997 AMENDMENTS

Amendment by section 312(d)(1) of Pub. L. 105-34 applicable to sales and exchanges after May 6, 1997, with certain exceptions, see section 312(d) of Pub. L. 105-34, set out as a note under section 121 of this title.

Section 1025(b) of Pub. L. 105-34 provided that: “The amendment made by subsection (a) [amending this section] shall apply to levies issued after the date of the enactment of this Act [Aug. 5, 1997].”

Amendment by Pub. L. 105-33 effective as if included in section 110 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. 104-193, at the time such section 110 became law, see section 5518(c) of Pub. L. 105-33, set out as a note under section 51 of this title.

#### EFFECTIVE DATE OF 1996 AMENDMENTS

Amendment by section 110(l)(3) of Pub. L. 104-193 effective July 1, 1997, with transition rules relating to State options to accelerate such date, rules relating to claims, actions, and proceedings commenced before such date, rules relating to closing out of accounts for terminated or substantially modified programs and continuance in office of Assistant Secretary for Family Support, and provisions relating to termination of entitlement under AFDC program, see section 116 of Pub. L. 104-193, as amended, set out as an Effective Date note under section 601 of Title 42, The Public Health and Welfare.

Section 502(d) of Pub. L. 104-168 provided that: “The amendments made by this section [amending this section] shall take effect with respect to levies issued after December 31, 1996.”

#### EFFECTIVE DATE OF 1988 AMENDMENT

Section 1015(o) of Pub. L. 100-647 provided that the amendment made by that section is effective with respect to levies made after Dec. 31, 1988.

Amendment by section 6236(c) of Pub. L. 100-647 applicable to levies issued on or after July 1, 1989, see section 6236(h)(1) of Pub. L. 100-647, set out as a note under section 6331 of this title.

#### EFFECTIVE DATE OF 1986 AMENDMENT

Section 1565(b) of Pub. L. 99-514 provided that: “The amendment made by this section [amending this section] shall apply to amounts payable after December 31, 1986.”

#### EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-369 effective as though included in the enactment of the Social Security Amendments of 1983, Pub. L. 98-21, see section 2664(a) of Pub. L. 98-369, set out as a note under section 401 of Title 42, The Public Health and Welfare.

#### EFFECTIVE DATE OF 1982 AMENDMENT

Section 347(b) of Pub. L. 97-248 provided that: “The amendments made by subsection (a) [amending this section] shall apply to levies made after December 31, 1982.”

#### EFFECTIVE DATE OF 1976 AMENDMENT

Section 1209(e) of Pub. L. 94-455, as amended by Pub. L. 94-528, §2(c), Oct. 17, 1976, 90 Stat. 2483, provided that: “The amendments made by this section [amending this section and sections 6331 and 6332 of this title] shall apply only with respect to levies made after February 28, 1977.”

#### EFFECTIVE DATE OF 1969 AMENDMENT

Section 945(b) of Pub. L. 91-172 provided that: “The amendment made by subsection (a) [amending this sec-

tion] shall apply with respect to levies made 30 days or more after the date of the enactment of this Act [Dec. 30, 1969].”

#### EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-719 applicable after Nov. 2, 1966, regardless of when title or lien of United States arose or when lien or interest of another person was acquired, with certain exceptions, see section 114(a)-(c) of Pub. L. 89-719, set out as a note under section 6323 of this title.

#### EFFECTIVE DATE OF 1965 AMENDMENT

Section 812(b) of Pub. L. 89-44 provided that: “The amendment made by subsection (a) [amending this section] shall take effect on the date of the enactment of this Act [June 21, 1965].”

#### TRANSFER OF FUNCTIONS

For transfer of authorities, functions, personnel, and assets of the Coast Guard, including the authorities and functions of the Secretary of Transportation relating thereto, to the Department of Homeland Security, and for treatment of related references, see sections 468(b), 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

#### STATE FISH AND WILDLIFE PERMITS

Pub. L. 105-206, title III, §3445(c), July 22, 1998, 112 Stat. 763, provided that:

“(1) IN GENERAL.—With respect to permits issued by a State and required under State law for the harvest of fish or wildlife in the trade or business of an individual taxpayer, the term ‘other assets’ as used in section 6334(e)(2) of the Internal Revenue Code of 1986 shall include future income which may be derived by such taxpayer from the commercial sale of fish or wildlife under such permit.

“(2) CONSTRUCTION.—Paragraph (1) shall not be construed to invalidate or in any way prejudice any assertion that the privilege embodied in permits described in paragraph (1) is not property or a right to property under the Internal Revenue Code of 1986.”

### § 6335. Sale of seized property

#### (a) Notice of seizure

As soon as practicable after seizure of property, notice in writing shall be given by the Secretary to the owner of the property (or, in the case of personal property, the possessor thereof), or shall be left at his usual place of abode or business if he has such within the internal revenue district where the seizure is made. If the owner cannot be readily located, or has no dwelling or place of business within such district, the notice may be mailed to his last known address. Such notice shall specify the sum demanded and shall contain, in the case of personal property, an account of the property seized and, in the case of real property, a description with reasonable certainty of the property seized.

#### (b) Notice of sale

The Secretary shall as soon as practicable after the seizure of the property give notice to the owner, in the manner prescribed in subsection (a), and shall cause a notification to be published in some newspaper published or generally circulated within the county wherein such seizure is made, or if there be no newspaper published or generally circulated in such county, shall post such notice at the post office nearest

the place where the seizure is made, and in not less than two other public places. Such notice shall specify the property to be sold, and the time, place, manner, and conditions of the sale thereof. Whenever levy is made without regard to the 10-day period provided in section 6331(a), public notice of sale of the property seized shall not be made within such 10-day period unless section 6336 (relating to sale of perishable goods) is applicable.

**(c) Sale of indivisible property**

If any property liable to levy is not divisible, so as to enable the Secretary by sale of a part thereof to raise the whole amount of the tax and expenses, the whole of such property shall be sold.

**(d) Time and place of sale**

The time of sale shall not be less than 10 days nor more than 40 days from the time of giving public notice under subsection (b). The place of sale shall be within the county in which the property is seized, except by special order of the Secretary.

**(e) Manner and conditions of sale**

**(1) In general**

**(A) Determinations relating to minimum price**

Before the sale of property seized by levy, the Secretary shall determine—

(i) a minimum price below which such property shall not be sold (taking into account the expense of making the levy and conducting the sale), and

(ii) whether, on the basis of criteria prescribed by the Secretary, the purchase of such property by the United States at such minimum price would be in the best interest of the United States.

**(B) Sale to highest bidder at or above minimum price**

If, at the sale, one or more persons offer to purchase such property for not less than the amount of the minimum price, the property shall be declared sold to the highest bidder.

**(C) Property deemed sold to United States at minimum price in certain cases**

If no person offers the amount of the minimum price for such property at the sale and the Secretary has determined that the purchase of such property by the United States would be in the best interest of the United States, the property shall be declared to be sold to the United States at such minimum price.

**(D) Release to owner in other cases**

If, at the sale, the property is not declared sold under subparagraph (B) or (C), the property shall be released to the owner thereof and the expense of the levy and sale shall be added to the amount of tax for the collection of which the levy was made. Any property released under this subparagraph shall remain subject to any lien imposed by subchapter C.

**(2) Additional rules applicable to sale**

The Secretary shall by regulations prescribe the manner and other conditions of the sale of

property seized by levy. If one or more alternative methods or conditions are permitted by regulations, the Secretary shall select the alternatives applicable to the sale. Such regulations shall provide:

(A) That the sale shall not be conducted in any manner other than—

(i) by public auction, or

(ii) by public sale under sealed bids.

(B) In the case of the seizure of several items of property, whether such items shall be offered separately, in groups, or in the aggregate; and whether such property shall be offered both separately (or in groups) and in the aggregate, and sold under whichever method produces the highest aggregate amount.

(C) Whether the announcement of the minimum price determined by the Secretary may be delayed until the receipt of the highest bid.

(D) Whether payment in full shall be required at the time of acceptance of a bid, or whether a part of such payment may be deferred for such period (not to exceed 1 month) as may be determined by the Secretary to be appropriate.

(E) The extent to which methods (including advertising) in addition to those prescribed in subsection (b) may be used in giving notice of the sale.

(F) Under what circumstances the Secretary may adjourn the sale from time to time (but such adjournments shall not be for a period to exceed in all 1 month).

**(3) Payment of amount bid**

If payment in full is required at the time of acceptance of a bid and is not then and there paid, the Secretary shall forthwith proceed to again sell the property in the manner provided in this subsection. If the conditions of the sale permit part of the payment to be deferred, and if such part is not paid within the prescribed period, suit may be instituted against the purchaser for the purchase price or such part thereof as has not been paid, together with interest at the rate of 6 percent per annum from the date of the sale; or, in the discretion of the Secretary, the sale may be declared by the Secretary to be null and void for failure to make full payment of the purchase price and the property may again be advertised and sold as provided in subsections (b) and (c) and this subsection. In the event of such readvertisement and sale any new purchaser shall receive such property or rights to property, free and clear of any claim or right of the former defaulting purchaser, of any nature whatsoever, and the amount paid upon the bid price by such defaulting purchaser shall be forfeited.

**(4) Cross reference**

For provision providing for civil damages for violation of paragraph (1)(A)(i), see section 7433.

**(f) Right to request sale of seized property within 60 days**

The owner of any property seized by levy may request that the Secretary sell such property within 60 days after such request (or within such longer period as may be specified by the owner).

The Secretary shall comply with such request unless the Secretary determines (and notifies the owner within such period) that such compliance would not be in the best interests of the United States.

**(g) Stay of sale of seized property pending Tax Court decision**

**For restrictions on sale of seized property pending Tax Court decision, see section 6863(b)(3).**

(Aug. 16, 1954, ch. 736, 68A Stat. 785; Pub. L. 89-719, title I, §104(d), Nov. 2, 1966, 80 Stat. 1137; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 99-514, title XV, §1570(a), Oct. 22, 1986, 100 Stat. 2764; Pub. L. 100-647, title VI, §6236(g), Nov. 10, 1988, 102 Stat. 3740; Pub. L. 105-206, title III, §3441(a), (b), July 22, 1998, 112 Stat. 761.)

**AMENDMENTS**

1998—Subsec. (e)(1)(A)(i). Pub. L. 105-206, §3441(a), substituted “a minimum price below which such property shall not be sold” for “a minimum price for which such property shall be sold”.

Subsec. (e)(4). Pub. L. 105-206, §3441(b), added par. (4). 1988—Subsecs. (f), (g). Pub. L. 100-647 added subsec. (f) and redesignated former subsec. (f) as (g).

1986—Subsec. (e)(1). Pub. L. 99-514 amended par. (1) generally. Prior to amendment, par. (1) “Minimum price” read as follows: “Before the sale the Secretary shall determine a minimum price for which the property shall be sold, and if no person offers for such property at the sale the amount of the minimum price, the property shall be declared to be purchased at such price for the United States; otherwise the property shall be declared to be sold to the highest bidder. In determining the minimum price, the Secretary shall take into account the expense of making the levy and sale.”

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary” wherever appearing.

1966—Subsec. (b). Pub. L. 89-719 inserted an alternative to the publication of notice of sale to allow publication in a newspaper generally circulated within the county in which the property is seized even though the newspaper is not published in such county.

**EFFECTIVE DATE OF 1998 AMENDMENT**

Pub. L. 105-206, title III, §3441(c), July 22, 1998, 112 Stat. 761, provided that: “The amendments made by this section [amending this section] shall apply to sales made after the date of the enactment of this Act [July 22, 1998].”

**EFFECTIVE DATE OF 1988 AMENDMENT**

Amendment by Pub. L. 100-647 applicable to requests made on or after Jan. 1, 1989, see section 6236(h)(2) of Pub. L. 100-647, set out as a note under section 6331 of this title.

**EFFECTIVE DATE OF 1986 AMENDMENT**

Section 1570(b) of Pub. L. 99-514 provided that: “The amendment made by subsection (a) [amending this section] shall apply to—

“(1) property seized after the date of the enactment of this Act [Oct. 22, 1986], and

“(2) property seized on or before such date which is held by the United States on such date.”

**EFFECTIVE DATE OF 1966 AMENDMENT**

Amendment by Pub. L. 89-719 applicable after Nov. 2, 1966, regardless of when title or lien of United States arose or when lien or interest of another person was acquired, with certain exceptions, see section 114(a)-(c) of Pub. L. 89-719, set out as a note under section 6323 of this title.

**UNIFORM ASSET DISPOSAL MECHANISM**

Pub. L. 105-206, title III, §3443, July 22, 1998, 112 Stat. 762, provided that: “Not later than the date which is 2

years after the date of the enactment of this Act [July 22, 1998], the Secretary of the Treasury or the Secretary’s delegate shall implement a uniform asset disposal mechanism for sales under section 6335 of the Internal Revenue Code of 1986. The mechanism should be designed to remove any participation in such sales by revenue officers of the Internal Revenue Service and should consider the use of outsourcing.”

**§ 6336. Sale of perishable goods**

If the Secretary determines that any property seized is liable to perish or become greatly reduced in price or value by keeping, or that such property cannot be kept without great expense, he shall appraise the value of such property and—

**(1) Return to owner**

If the owner of the property can be readily found, the Secretary shall give him notice of such determination of the appraised value of the property. The property shall be returned to the owner if, within such time as may be specified in the notice, the owner—

(A) Pays to the Secretary an amount equal to the appraised value, or

(B) Gives bond in such form, with such sureties, and in such amount as the Secretary shall prescribe, to pay the appraised amount at such time as the Secretary determines to be appropriate in the circumstances.

**(2) Immediate sale**

If the owner does not pay such amount or furnish such bond in accordance with this section, the Secretary shall as soon as practicable make public sale of the property in accordance with such regulations as may be prescribed by the Secretary.

(Aug. 16, 1954, ch. 736, 68A Stat. 786; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834.)

**AMENDMENTS**

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary” wherever appearing.

**§ 6337. Redemption of property**

**(a) Before sale**

Any person whose property has been levied upon shall have the right to pay the amount due, together with the expenses of the proceeding, if any, to the Secretary at any time prior to the sale thereof, and upon such payment the Secretary shall restore such property to him, and all further proceedings in connection with the levy on such property shall cease from the time of such payment.

**(b) Redemption of real estate after sale**

**(1) Period**

The owners of any real property sold as provided in section 6335, their heirs, executors, or administrators, or any person having any interest therein, or a lien thereon, or any person in their behalf, shall be permitted to redeem the property sold, or any particular tract of such property, at any time within 180 days after the sale thereof.

**(2) Price**

Such property or tract of property shall be permitted to be redeemed upon payment to

the purchaser, or in case he cannot be found in the county in which the property to be redeemed is situated, then to the Secretary, for the use of the purchaser, his heirs, or assigns, the amount paid by such purchaser and interest thereon at the rate of 20 percent per annum.

**(c) Record**

When any lands sold are redeemed as provided in this section, the Secretary shall cause entry of the fact to be made upon the record mentioned in section 6340, and such entry shall be evidence of such redemption.

(Aug. 16, 1954, ch. 736, 68A Stat. 787; Pub. L. 89-719, title I, §104(e), Nov. 2, 1966, 80 Stat. 1137; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 97-248, title III, §349A(a), Sept. 3, 1982, 96 Stat. 639.)

AMENDMENTS

1982—Subsec. (b)(1). Pub. L. 97-248 substituted “180 days” for “120 days”.

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary” wherever appearing.

1966—Subsec. (b)(1). Pub. L. 89-719 substituted “120 days” for “1 year”.

EFFECTIVE DATE OF 1982 AMENDMENT

Section 349A(b) of Pub. L. 97-248 provided that: “The amendment made by subsection (a) [amending this section] shall apply with respect to property sold after the date of the enactment of this Act [Sept. 3, 1982].”

EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-719 applicable after Nov. 2, 1966, regardless of when title or lien of United States arose or when lien or interest of another person was acquired, with certain exceptions, see section 114(a)-(c) of Pub. L. 89-719, set out as a note under section 6323 of this title.

**§ 6338. Certificate of sale; deed of real property**

**(a) Certificate of sale**

In the case of property sold as provided in section 6335, the Secretary shall give to the purchaser a certificate of sale upon payment in full of the purchase price. In the case of real property, such certificate shall set forth the real property purchased, for whose taxes the same was sold, the name of the purchaser, and the price paid therefor.

**(b) Deed to real property**

In the case of any real property sold as provided in section 6335 and not redeemed in the manner and within the time provided in section 6337, the Secretary shall execute (in accordance with the laws of the State in which such real property is situated pertaining to sales of real property under execution) to the purchaser of such real property at such sale, upon his surrender of the certificate of sale, a deed of the real property so purchased by him, reciting the facts set forth in the certificate.

**(c) Real property purchased by United States**

If real property is declared purchased by the United States at a sale pursuant to section 6335, the Secretary shall at the proper time execute a deed therefor; and without delay cause such deed to be duly recorded in the proper registry of deeds.

(Aug. 16, 1954, ch. 736, 68A Stat. 787; Pub. L. 85-866, title I, §78, Sept. 2, 1958, 72 Stat. 1662; Pub. L. 89-719, title I, §104(f), Nov. 2, 1966, 80 Stat. 1137; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834.)

AMENDMENTS

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary” wherever appearing.

1966—Subsec. (c). Pub. L. 89-719 struck out provisions requiring the endorsement of approval as to the form of the deed by the United States Attorney for the district in which the property is situated.

1958—Subsec. (c). Pub. L. 85-866 struck out “district” before “attorney”.

EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-719 applicable after Nov. 2, 1966, regardless of when title or lien of United States arose or when lien or interest of another person was acquired, with certain exceptions, see section 114(a)-(c) of Pub. L. 89-719, set out as a note under section 6323 of this title.

EFFECTIVE DATE OF 1958 AMENDMENT

Amendment by Pub. L. 85-866 effective Aug. 17, 1954, see section 1(c)(2) of Pub. L. 85-866, set out as a note under section 165 of this title.

**§ 6339. Legal effect of certificate of sale of personal property and deed of real property**

**(a) Certificate of sale of property other than real property**

In all cases of sale pursuant to section 6335 of property (other than real property), the certificate of such sale—

**(1) As evidence**

Shall be prima facie evidence of the right of the officer to make such sale, and conclusive evidence of the regularity of his proceedings in making the sale; and

**(2) As conveyances**

Shall transfer to the purchaser all right, title, and interest of the party delinquent in and to the property sold; and

**(3) As authority for transfer of corporate stock**

If such property consists of stocks, shall be notice, when received, to any corporation, company, or association of such transfer, and shall be authority to such corporation, company, or association to record the transfer on its books and records in the same manner as if the stocks were transferred or assigned by the party holding the same, in lieu of any original or prior certificate, which shall be void, whether canceled or not; and

**(4) As receipts**

If the subject of sale is securities or other evidences of debt, shall be a good and valid receipt to the person holding the same, as against any person holding or claiming to hold possession of such securities or other evidences of debt; and

**(5) As authority for transfer of title to motor vehicle**

If such property consists of a motor vehicle, shall be notice, when received, to any public official charged with the registration of title to motor vehicles, of such transfer and shall

be authority to such official to record the transfer on his books and records in the same manner as if the certificate of title to such motor vehicle were transferred or assigned by the party holding the same, in lieu of any original or prior certificate, which shall be void, whether canceled or not.

**(b) Deed of real property**

In the case of the sale of real property pursuant to section 6335—

**(1) Deed as evidence**

The deed of sale given pursuant to section 6338 shall be prima facie evidence of the facts therein stated; and

**(2) Deed as conveyance of title**

If the proceedings of the Secretary as set forth have been substantially in accordance with the provisions of law, such deed shall be considered and operate as a conveyance of all the right, title, and interest the party delinquent had in and to the real property thus sold at the time the lien of the United States attached thereto.

**(c) Effect of judicial encumbrances**

A certificate of sale of personal property given or a deed to real property executed pursuant to section 6338 shall discharge such property from all liens, encumbrances, and titles over which the lien of the United States with respect to which the levy was made had priority.

**(d) Cross references**

**(1) For distribution of surplus proceeds, see section 6342(b).**

**(2) For judicial procedure with respect to surplus proceeds, see section 7426(a)(2).**

(Aug. 16, 1954, ch. 736, 68A Stat. 788; Pub. L. 85-866, title I, §79, Sept. 2, 1958, 72 Stat. 1662; Pub. L. 89-719, title I, §104(g), Nov. 2, 1966, 80 Stat. 1137; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834.)

AMENDMENTS

1976—Subsec. (b)(2). Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

1966—Subsecs. (c), (d). Pub. L. 89-719 added subsecs. (c) and (d).

1958—Subsec. (b)(2). Pub. L. 85-866 substituted “as” for “of” after “Deed” in heading.

EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-719 applicable after Nov. 2, 1966, regardless of when title or lien of United States arose or when lien or interest of another person was acquired, with certain exceptions, see section 114(a)–(c) of Pub. L. 89-719, set out as a note under section 6323 of this title.

EFFECTIVE DATE OF 1958 AMENDMENT

Amendment by Pub. L. 85-866 effective Aug. 17, 1954, see section 1(c)(2) of Pub. L. 85-866, set out as a note under section 165 of this title.

**§ 6340. Records of sale**

**(a) Requirement**

The Secretary shall, for each internal revenue district, keep a record of all sales of property under section 6335 and of redemptions of such property. The record shall set forth the tax for which any such sale was made, the dates of sei-

zure and sale, the name of the party assessed and all proceedings in making such sale, the amount of expenses, the names of the purchasers, and the date of the deed or certificate of sale of personal property.

**(b) Copy as evidence**

A copy of such record, or any part thereof, certified by the Secretary shall be evidence in any court of the truth of the facts therein stated.

**(c) Accounting to taxpayer**

The taxpayer with respect to whose liability the sale was conducted or who redeemed the property shall be furnished—

(1) the record under subsection (a) (other than the names of the purchasers);

(2) the amount from such sale applied to the taxpayer's liability; and

(3) the remaining balance of such liability.

(Aug. 16, 1954, ch. 736, 68A Stat. 789; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 105-206, title III, §3442(a), July 22, 1998, 112 Stat. 761.)

AMENDMENTS

1998—Subsec. (a). Pub. L. 105-206, §3442(a)(1), struck out “real” after “sales of” and inserted “or certificate of sale of personal property” after “deed”.

Subsec. (c). Pub. L. 105-206, §3442(a)(2), added subsec. (c).

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary” wherever appearing.

EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105-206, title III, §3442(b), July 22, 1998, 112 Stat. 762, provided that: “The amendments made by this section [amending this section] shall apply to seizures occurring after the date of the enactment of this Act [July 22, 1998].”

**§ 6341. Expense of levy and sale**

The Secretary shall determine the expenses to be allowed in all cases of levy and sale.

(Aug. 16, 1954, ch. 736, 68A Stat. 789; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834.)

AMENDMENTS

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

**§ 6342. Application of proceeds of levy**

**(a) Collection of liability**

Any money realized by proceedings under this subchapter (whether by seizure, by surrender under section 6332 (except pursuant to subsection (c)(2)<sup>1</sup> thereof), or by sale of seized property) or by sale of property redeemed by the United States (if the interest of the United States in such property was a lien arising under the provisions of this title) shall be applied as follows:

**(1) Expense of levy and sale**

First, against the expenses of the proceedings;

**(2) Specific tax liability on seized property**

If the property seized and sold is subject to a tax imposed by any internal revenue law

<sup>1</sup> See References in Text note below.



which has not been paid, the amount remaining after applying paragraph (1) shall then be applied against such tax liability (and, if such tax was not previously assessed, it shall then be assessed);

**(3) Liability of delinquent taxpayer**

The amount, if any, remaining after applying paragraphs (1) and (2) shall then be applied against the liability in respect of which the levy was made or the sale was conducted.

**(b) Surplus proceeds**

Any surplus proceeds remaining after the application of subsection (a) shall, upon application and satisfactory proof in support thereof, be credited or refunded by the Secretary to the person or persons legally entitled thereto.

(Aug. 16, 1954, ch. 736, 68A Stat. 789; Pub. L. 89-719, title I, §104(h), Nov. 2, 1966, 80 Stat. 1137; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834.)

REFERENCES IN TEXT

Section 6332(c), referred to in subsec. (a), was redesignated section 6332(d) by Pub. L. 100-647, title VI, §6236(e)(1), Nov. 10, 1988, 102 Stat. 3739.

AMENDMENTS

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary” wherever appearing.

1966—Subsec. (a). Pub. L. 89-719 inserted in introductory provisions, references to an exception in the case of surrender under section 6332(c)(2) and to sale of property redeemed by the United States if the interest of the United States in such property was a lien arising under the provisions of this title, struck out “under this subchapter” after “proceedings” in par. (1), and inserted “or the sale was conducted” after “levy was made” in par. (3).

EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-719 applicable after Nov. 2, 1966, regardless of when title or lien of United States arose or when lien or interest of another person was acquired, with certain exceptions, see section 114(a)-(c) of Pub. L. 89-719, set out as a note under section 6323 of this title.

**§ 6343. Authority to release levy and return property**

**(a) Release of levy and notice of release**

**(1) In general**

Under regulations prescribed by the Secretary, the Secretary shall release the levy upon all, or part of, the property or rights to property levied upon and shall promptly notify the person upon whom such levy was made (if any) that such levy has been released if—

(A) the liability for which such levy was made is satisfied or becomes unenforceable by reason of lapse of time,

(B) release of such levy will facilitate the collection of such liability,

(C) the taxpayer has entered into an agreement under section 6159 to satisfy such liability by means of installment payments, unless such agreement provides otherwise,

(D) the Secretary has determined that such levy is creating an economic hardship due to the financial condition of the taxpayer, or

(E) the fair market value of the property exceeds such liability and release of the levy on a part of such property could be made without hindering the collection of such liability.

For purposes of subparagraph (C), the Secretary is not required to release such levy if such release would jeopardize the secured creditor status of the Secretary.

**(2) Expedited determination on certain business property**

In the case of any tangible personal property essential in carrying on the trade or business of the taxpayer, the Secretary shall provide for an expedited determination under paragraph (1) if levy on such tangible personal property would prevent the taxpayer from carrying on such trade or business.

**(3) Subsequent levy**

The release of levy on any property under paragraph (1) shall not prevent any subsequent levy on such property.

**(b) Return of property**

If the Secretary determines that property has been wrongfully levied upon, it shall be lawful for the Secretary to return—

(1) the specific property levied upon,

(2) an amount of money equal to the amount of money levied upon, or

(3) an amount of money equal to the amount of money received by the United States from a sale of such property.

Property may be returned at any time. An amount equal to the amount of money levied upon or received from such sale may be returned at any time before the expiration of 9 months from the date of such levy. For purposes of paragraph (3), if property is declared purchased by the United States at a sale pursuant to section 6335(e) (relating to manner and conditions of sale), the United States shall be treated as having received an amount of money equal to the minimum price determined pursuant to such section or (if larger) the amount received by the United States from the resale of such property.

**(c) Interest**

Interest shall be allowed and paid at the overpayment rate established under section 6621—

(1) in a case described in subsection (b)(2), from the date the Secretary receives the money to a date (to be determined by the Secretary) preceding the date of return by not more than 30 days, or

(2) in a case described in subsection (b)(3), from the date of the sale of the property to a date (to be determined by the Secretary) preceding the date of return by not more than 30 days.

**(d) Return of property in certain cases**

If—

(1) any property has been levied upon, and

(2) the Secretary determines that—

(A) the levy on such property was premature or otherwise not in accordance with administrative procedures of the Secretary,

(B) the taxpayer has entered into an agreement under section 6159 to satisfy the tax li-

ability for which the levy was imposed by means of installment payments, unless such agreement provides otherwise,

(C) the return of such property will facilitate the collection of the tax liability, or

(D) with the consent of the taxpayer or the National Taxpayer Advocate, the return of such property would be in the best interests of the taxpayer (as determined by the National Taxpayer Advocate) and the United States,

the provisions of subsection (b) shall apply in the same manner as if such property had been wrongly levied upon, except that no interest shall be allowed under subsection (c).

**(e) Release of levy upon agreement that amount is not collectible**

In the case of a levy on the salary or wages payable to or received by the taxpayer, upon agreement with the taxpayer that the tax is not collectible, the Secretary shall release such levy as soon as practicable.

(Aug. 16, 1954, ch. 736, 68A Stat. 789; Pub. L. 89-719, title I, §104(i), Nov. 2, 1966, 80 Stat. 1138; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 96-167, §4(a), Dec. 29, 1979, 93 Stat. 1275; Pub. L. 99-514, title XV, §1511(c)(10), Oct. 22, 1986, 100 Stat. 2745; Pub. L. 100-647, title VI, §6236(f), Nov. 10, 1988, 102 Stat. 3740; Pub. L. 104-168, title V, §501(b), July 30, 1996, 110 Stat. 1460; Pub. L. 105-206, title I, §1102(d)(1)(B), title III, §3432(a), July 22, 1998, 112 Stat. 704, 759.)

AMENDMENTS

1998—Subsec. (d)(2)(D). Pub. L. 105-206, §1102(d)(1)(B), substituted “National Taxpayer Advocate” for “Taxpayer Advocate” in two places.

Subsec. (e). Pub. L. 105-206, §3432(a), added subsec. (e).

1996—Subsec. (d). Pub. L. 104-168 added subsec. (d).

1988—Subsec. (a). Pub. L. 100-647 inserted “and notice of release” after “levy” in heading and amended text generally. Prior to amendment, text read as follows: “It shall be lawful for the Secretary, under regulations prescribed by the Secretary, to release the levy upon all or part of the property or rights to property levied upon where the Secretary determines that such action will facilitate the collection of the liability, but such release shall not operate to prevent any subsequent levy.”

1986—Subsec. (c). Pub. L. 99-514 substituted “the overpayment rate established under section 6621” for “an annual rate established under section 6621”.

1979—Subsec. (c). Pub. L. 96-167 added subsec. (c).

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary” wherever appearing.

1966—Pub. L. 89-719 inserted “and return property” in section catchline, designated existing provisions as subsec. (a), and added subsec. (b).

EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by section 1102 of Pub. L. 105-206 effective July 22, 1998, see section 1102(f) of Pub. L. 105-206, set out as a note under section 7803 of this title.

Pub. L. 105-206, title III, §3432(b), July 22, 1998, 112 Stat. 759, provided that: “The amendment made by this section [amending this section] shall apply to levies imposed after December 31, 1999.”

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-647 applicable to levies issued on or after July 1, 1989, see section 6236(h)(1) of Pub. L. 100-647, set out as a note under section 6331 of this title.

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-514 applicable for purposes of determining interest for periods after Dec. 31, 1986, see section 1511(d) of Pub. L. 99-514, set out as a note under section 47 of this title.

EFFECTIVE DATE OF 1979 AMENDMENT

Section 4(c)(1) of Pub. L. 96-167 provided that: “The amendment made by subsection (a) [amending this section] shall apply to levies made after the date of the enactment of this Act [Dec. 29, 1979].”

EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-719 applicable after Nov. 2, 1966, regardless of when title or lien of United States arose or when lien or interest of another person was acquired, with certain exceptions, see section 114(a)-(c) of Pub. L. 89-719, set out as a note under section 6323 of this title.

**§ 6344. Cross references**

**(a) Length of period**

For period within which levy may be begun in case of—

(1) **Income, estate, and gift taxes, and taxes imposed by chapter 41, 42, 43, or 44, see sections 6502(a) and 6503(a)(1).**

(2) **Employment and miscellaneous excise taxes, see section 6502(a).**

**(b) Delinquent collection officers**

For distraint proceedings against delinquent internal revenue officers, see section 7804(c).

**(c) Other references**

For provisions relating to—

(1) **Stamps, marks and brands, see section 6807.**

(2) **Administration of real estate acquired by the United States, see section 7506.**

(Aug. 16, 1954, ch. 736, 68A Stat. 789; Pub. L. 91-172, title I, §101(j)(45), Dec. 30, 1969, 83 Stat. 531; Pub. L. 93-406, title II, §1016(a)(13), Sept. 2, 1974, 88 Stat. 930; Pub. L. 94-455, title XIII, §1307(d)(2)(F)(v), title XVI, §1605(b)(8), Oct. 4, 1976, 90 Stat. 1728, 1755; Pub. L. 96-223, title I, §101(f)(1)(I), Apr. 2, 1980, 94 Stat. 252; Pub. L. 100-418, title I, §1941(b)(2)(B)(ix), Aug. 23, 1988, 102 Stat. 1323; Pub. L. 105-206, title I, §1104(b)(1), July 22, 1998, 112 Stat. 710.)

AMENDMENTS

1998—Subsec. (b). Pub. L. 105-206 substituted “section 7804(c)” for “section 7803(d)”.

1988—Subsec. (a)(1). Pub. L. 100-418 substituted “or 44” for “44, or 45”.

1980—Subsec. (a)(1). Pub. L. 96-223 inserted reference to chapter 45.

1976—Subsec. (a)(1). Pub. L. 94-455 inserted reference to chapters 41 and 44.

1974—Subsec. (a)(1). Pub. L. 93-406 inserted reference to chapter 43.

1969—Subsec. (a)(1). Pub. L. 91-172 inserted reference to chapter 42.

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-418 applicable to crude oil removed from the premises on or after Aug. 23, 1988, see section 1941(c) of Pub. L. 100-418, set out as a note under section 164 of this title.

EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-223 applicable to periods after Feb. 29, 1980, see section 101(i) of Pub. L. 96-223, set out as a note under section 6161 of this title.

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by section 1307(d)(2)(F)(v) of Pub. L. 94-455 effective on and after Oct. 4, 1976, see section

1307(e) of Pub. L. 94-455, set out as a note under section 501 of this title.

#### EFFECTIVE DATE OF 1974 AMENDMENT

Amendment by Pub. L. 93-406 applicable, except as otherwise provided in section 1017(c) through (i) of Pub. L. 93-406, for plan years beginning after Sept. 2, 1974, but, in the case of plans in existence on Jan. 1, 1974, amendment by Pub. L. 93-406 applicable for plan years beginning after Dec. 31, 1975, see section 1017 of Pub. L. 93-406, set out as an Effective Date; Transitional Rules note under section 410 of this title.

#### EFFECTIVE DATE OF 1969 AMENDMENT

Amendment by Pub. L. 91-172 effective Jan. 1, 1970, see section 101(k)(1) of Pub. L. 91-172, set out as an Effective Date note under section 4940 of this title.

### [Subchapter E—Repealed]

## [[§§ 6361 to 6365. Repealed. Pub. L. 101-508, title XI, § 11801(a)(45), Nov. 5, 1990, 104 Stat. 1388-522]

Section 6361, added Pub. L. 92-512, title II, § 202(a), Oct. 20, 1972, 86 Stat. 936; amended Pub. L. 94-455, title XIX, § 1906(b)(13)(A), title XXI, § 2116(c), Oct. 4, 1976, 90 Stat. 1834, 1911, set forth general rules regarding collection of State individual income taxes.

Section 6362, added Pub. L. 92-512, title II, § 202(a), Oct. 20, 1972, 86 Stat. 938; amended Pub. L. 94-455, title XIX, § 1906(b)(13)(A), title XXI, § 2116(b), Oct. 4, 1976, 90 Stat. 1834, 1910; Pub. L. 95-473, § 2(a)(2)(H), Oct. 17, 1978, 92 Stat. 1465; Pub. L. 95-600, title IV, § 421(e)(8), Nov. 6, 1978, 92 Stat. 2877; Pub. L. 97-248, title II, § 201(d)(7), formerly § 201(c)(7), Sept. 3, 1982, 96 Stat. 420, redesignated Pub. L. 97-448, title III, § 306(a)(1)(A)(i), Jan. 12, 1983, 96 Stat. 2400; Pub. L. 97-354, § 5(a)(41), Oct. 19, 1982, 96 Stat. 1696; Pub. L. 97-424, title V, § 547(b)(5), Jan. 6, 1983, 96 Stat. 2200; Pub. L. 98-369, div. A, title IV, §§ 412(b)(6), 474(r)(35), title VII, § 721(x)(5), July 18, 1984, 98 Stat. 792, 845, 972; Pub. L. 99-514, title XIII, § 1301(j)(8), Oct. 22, 1986, 100 Stat. 2658, related to qualified State individual income taxes.

Section 6363, added Pub. L. 92-512, title II, § 202(a), Oct. 20, 1972, 86 Stat. 942; amended Pub. L. 94-455, title XIX, § 1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 98-620, title IV, § 402(28)(C), Nov. 8, 1984, 98 Stat. 3359, related to State agreements and other procedures.

Section 6364, added Pub. L. 92-512, title II, § 202(a), Oct. 20, 1972, 86 Stat. 944; amended Pub. L. 94-455, title XIX, § 1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834, authorized Secretary to prescribe regulations for this subchapter.

Section 6365, added Pub. L. 92-512, title II, § 202(a), Oct. 20, 1972, 86 Stat. 944; amended Pub. L. 94-455, title XIX, § 1906(a)(21), Oct. 4, 1976, 90 Stat. 1826; Pub. L. 97-248, title III, §§ 307(a)(8), 308(a), Sept. 3, 1982, 96 Stat. 589, 591; Pub. L. 98-67, title I, § 102(a), Aug. 5, 1983, 97 Stat. 369, set forth definitions and special rules for this subchapter.

#### SAVINGS PROVISION

For provisions that nothing in repeal by Pub. L. 101-508 be construed to affect treatment of certain transactions occurring, property acquired, or items of income, loss, deduction, or credit taken into account prior to Nov. 5, 1990, for purposes of determining liability for tax for periods ending after Nov. 5, 1990, see section 11821(b) of Pub. L. 101-508, set out as a note under section 45K of this title.

## CHAPTER 65—ABATEMENTS, CREDITS, AND REFUNDS

Subchapter	Sec. <sup>1</sup>
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<sup>1</sup> Section numbers editorially supplied.

## Subchapter A—Procedure in General

Sec.	
6401.	Amounts treated as overpayments.
6402.	Authority to make credits or refunds.
6403.	Overpayment of installment.
6404.	Abatements.
6405.	Reports of refunds and credits.
6406.	Prohibition of administrative review of decisions.
6407.	Date of allowance of refund or credit.
6408.	State escheat laws not to apply.
6409.	Refunds disregarded in the administration of Federal programs and federally assisted programs.

#### AMENDMENTS

2010—Pub. L. 111-312, title VII, § 728(b), Dec. 17, 2010, 124 Stat. 3317, added item 6409.

1987—Pub. L. 100-203, title X, § 10621(b), Dec. 22, 1987, 101 Stat. 1330-452, added item 6408.

## § 6401. Amounts treated as overpayments

### (a) Assessment and collection after limitation period.

The term “overpayment” includes that part of the amount of the payment of any internal revenue tax which is assessed or collected after the expiration of the period of limitation properly applicable thereto.

### (b) Excessive credits

#### (1) In general

If the amount allowable as credits under subpart C of part IV of subchapter A of chapter 1 (relating to refundable credits) exceeds the tax imposed by subtitle A (reduced by the credits allowable under subparts A, B, D, G, H, I, and J of such part IV), the amount of such excess shall be considered an overpayment.

#### (2) Special rule for credit under section 33

For purposes of paragraph (1), any credit allowed under section 33 (relating to withholding of tax on nonresident aliens and on foreign corporations) for any taxable year shall be treated as a credit allowable under subpart C of part IV of subchapter A of chapter 1 only if an election under subsection (g) or (h) of section 6013 is in effect for such taxable year. The preceding sentence shall not apply to any credit so allowed by reason of section 1446.

### (c) Rule where no tax liability

An amount paid as tax shall not be considered not to constitute an overpayment solely by reason of the fact that there was no tax liability in respect of which such amount was paid.

(Aug. 16, 1954, ch. 736, 68A Stat. 791; Pub. L. 89-44, title VIII, § 809(d)(6), June 21, 1965, 79 Stat. 168; Pub. L. 91-172, title III, § 331(c), Dec. 30, 1969, 83 Stat. 598; Pub. L. 91-258, title II, § 207(d)(1), May 21, 1970, 84 Stat. 248; Pub. L. 94-12, title II, § 204(b)(1), Mar. 29, 1975, 89 Stat. 31; Pub. L. 94-455, title VII, § 701(f)(2), (3), Oct. 4, 1976, 90 Stat. 1580; Pub. L. 95-600, title VII, § 701(u)(15)(D), Nov. 6, 1978, 92 Stat. 2919; Pub. L. 95-618, title III, § 301(c)(2), Nov. 9, 1978, 92 Stat. 3199; Pub. L. 96-222, title I, § 103(a)(2)(B)(iv), Apr. 1, 1980, 94 Stat. 209; Pub. L. 96-223, title II, § 223(b)(2), Apr. 2, 1980, 94 Stat. 266; Pub. L. 97-248, title III, §§ 307(a)(9), 308(a), Sept. 3, 1982, 96 Stat. 589, 591; Pub. L. 98-67, title I, § 102(a), Aug.